

PRESS RELEASE

2007 FIRST HALF-YEAR RESULTS:

Revenue: +42%
Operating income increasing threefold

Paris, 10th October 2007

Demos, one of the continuing education leaders in France, announces today its consolidated financial results for the half-year ending 30th June 2007.

<i>In thousands of euros</i>	H1 2007	H1 2006	06/07 Change
Revenue	36 067	25 362	+42.2%
Operating income	1 815	604	+200.5%
<i>as a % of rev.</i>	5.0%	2.4%	
Net consolidated income	473	147	+221.8%
<i>as a % of rev.</i>	1.3%	0.6%	
Net income group share	355	-77	

Strong growth of all profitability indicators

In H1 2007 Demos Group recorded a 42.2% growth in revenue, which went from €25,362k in H1 2006 to €36,067k in H1 2007. The revenue's organic growth was of 29.5%.

The operating income increased threefold over the same period. Costs increased less than revenue, and in particular personnel costs that only increased by 31%, thus pushing the operating margin up from 2.4% in H1 2006 to 5.0% in H1 2007.

The net consolidated income increased by 222%: it amounts to €473k, i.e. 1.3% of revenue, against €147k and 0.6% of revenue in H1 2006.

Emmanuel Courtois, Demos Group's Chief Financial and Administrative Officer, comments: "Our operating income and our net income have increased faster than our revenue thus displaying our model's ability to ensure profitable growth. This growth was accompanied by efficient control over our WCR. Our financial structure thus remains healthy and solid, with a low level of long term debt."

Strategy and outlook

Demos intends to become a European leader in operational knowledge. To this effect, the Group is pursuing its growth strategy along the following lines:

- **Further organic growth by optimising its organisation**
As such, Demos has set up a strategy committee responsible for suggesting and following up plans of action aiming at both optimising the organisation and developing the Group's revenue and image. There are currently four such plans:
 - Simplification of the organisation by setting up a centralised back office,
 - Increased conversion rate/success rate regarding calls for tenders,
 - Design of a "shared knowledge/know-how" base for large-scale projects in order to favour synergies,
 - Creation of an e-learning version of the strategic products and of the Group's best sellers.
- **Accelerate the roll out outside France via an active targeted acquisition policy**
Present in 13 countries, Demos plans to pursue its development outside France, and in Europe as a priority, with complementary acquisitions throughout the rest of the world according to opportunities. Demos has thus recently reinforced its presence in Asia with the creation of a holding in Hong-Kong, the Group's future central entity in Asia. The Group has substantial development projects in China.

Jean Wemaëre, Demos Chairman and CEO, comments:

"The first half-year's good performance demonstrates our model's solidity. Demos is currently very well positioned to fully benefit from the dynamics of a flourishing sector and to play the role of unifier in a fragmented sector. We intend to continue accelerating our growth via an ambitious targeted acquisition policy both in and outside France, and to thus achieve our ambition of becoming a European leader in operational knowledge."

About Group Demos

A reference player focussed on operational skills and the economics of knowledge

Group Demos is one of the French leaders in continuing education. Based on its core business, Demos has developed innovative and complementary training methods such as e-learning. Other activities relevant to the economics of knowledge also enrich the Group's offer, and in particular competence-management consultancy and the distribution of educational content.

An activity whose model is a success and can be duplicated outside France

Demos is present in 13 countries and in France's major towns and cities. Indeed, the Group's external growth policy has proved itself efficient and now enables the Group to both offer its existing clients support outside France as well as develop new local international clients. The Group's market is flourishing, its offer is diversified, its standards in terms of quality are high, it is permanently innovating and the business model is both flexible and high-performance, all of which render this Group the second French player on the vocational training market.

Demos is listed on Euronext Paris' Alternext
ISIN code: FR0010474130 – Mnemonic code: ALDMO

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